

CITY OF MORGAN HILL
REGULAR REDEVELOPMENT AGENCY AND
SPECIAL CITY COUNCIL MEETING
MINUTES - MARCH 22, 2000

Chairperson/Mayor Kennedy called the meeting to order at 7:08 p.m.

ROLL CALL

Present: City Council/Agency Members Chang, Cook, Sellers, Tate, and Chairperson/Mayor Kennedy

DECLARATION OF POSTING OF AGENDA

Agency Secretary/City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor Kennedy, Pete Zsiga, YMCA Director, led the Pledge of Allegiance.

PROCLAMATION

Chairman/Mayor Kennedy presented Fred Casillas, United States Census 2000, with a proclamation declaring April 1, 2000 *Census Day*.

PRESENTATION

Vicki Moore with Greenbelt Alliance summarized key points addressed in a letter distributed to the City Council regarding growth control, containing urban sprawl, protecting open space and promoting appropriate development. She requested that the City of Morgan Hill consider placing the long term Urban Growth Boundary on the November 7, 2000 ballot as the voters have shown that there is great support for this over the years.

PUBLIC COMMENT

Mayor Kennedy opened the floor to public comments. No comments were offered.

Redevelopment Agency

CONSENT CALENDAR:

Action: On a motion by Agency Member Tate and seconded by Vice-chairman Sellers, the Agency Commission unanimously (5-0) **approved** Consent Calendar Items 1 & 2 as follows:

1. FEBRUARY FINANCE AND INVESTMENT REPORT

Action: *Accepted and filed report.*

2. FISCAL YEAR 1999/00 MID YEAR BUDGET ADJUSTMENTS

Action: *Approved Proposed Mid Year Adjustments.*

OTHER BUSINESS:

3. AGREEMENT FOR ARCHITECTURAL SERVICES FOR THE COMMUNITY AND CULTURAL CENTER

Director of Community Development Bischoff presented the staff report. He said that at the March 1 meeting, the Agency Commission raised concern about the community center contract and requested that staff further negotiate the contract with the architect. At the March 15 meeting, representatives from the community expressed concern with the design of the community center and the appropriateness of proceeding forward with the design as it exists today. He highlighted the specifics of the proposed contract with VBN Architects. He indicated that Richard Sampson from Richard Sampson & Associates, construction management firm, retained to assist staff in the review and negotiations of a contract, was present along with Franz Steiner, project architects to answer any questions which the Agency may have.

Richard Sampson, Richard Sampson Associates, stated that he has been working with staff on the contract agreement. He said that it is very likely that a decision will be made during the design development phase that will impact the choice of material to be used on the community center. The design phase addresses these type of issues. However, regardless of the material used, it will probably not significantly affect the total cost of the next phase, the construction documents. He said that it is expected that choices will need to be made but that he did not expect the choices to affect the amount of work that the architect will have to do. It is felt that it would be more efficient to commit the architect to a fee at this time to complete the construction documents rather to renegotiate a contract later on when there have been a number of changes.

Agency Member Tate said that in discussing some of the changes the community members have stated, they involve the repositioning of buildings and uses on the site. He asked what could be rearranged if the theater is eliminated? He asked if the concept should be looked at now that the community has expressed an interest in making sure that buildings and uses are positioned as desired.

Mr. Bischoff said if there are minor changes that come out of the community workshop that the Agency would like to see, it would not extend the time frame to commence construction or increase the costs. If significant changes are proposed, staff may need to return to Agency indicating that additional time and money will be needed. He noted that the church is excluded from the contract. If the church relocated to another site, there would be no additional costs. However, if there is discussion of redesign or remodeling of the church to better meet the congregation's needs, there would be a cost associated with this.

Agency Member Tate asked if the Agency should commit to something if it is not know what will

happen to the church? Mr. Bischoff said that there is interest that the Agency and staff proceed with the project. Staff has been waiting to see if the negotiations with the church can be concluded. He said that is hoped that negotiations will be wrapped up in the near future.

Agency Member Cook stated that at times when the Agency reviews contracts, line items are identified and that the Agency does not often see the use of the term "lump sum."

Interim Agency Counsel Leichter stated that the actual contract will be one of the city's standard architectural contract provisions recommended by the American Institute of Architects. There will also be a detailed scope of work breakdown with each phase with a dollar amount identified with each phase.

Chairman Kennedy opened the floor to public comment.

Charles Weston, local resident and architect, stated that his comments will be based on the process. He recommended that the Agency: 1) decide where the church should go as well as the location of the theater; 2) that the Agency proceed with the design schematics; and 3) that a contract be entered into only for the design development and the visioning of the schematic design and that they be done concurrently. With the design development, a detailed cost estimate and more information on the design materials will be needed. Once the cost estimate is addressed, the Agency will have a better idea what the budget is. With additional information and design development, the Agency can continue working on the schematic design. This would result in knowing the cost estimate in order to get to a budget number that the Agency can live with and then enter into a contract with the architect for construction drawings.

Peter Mandel, 18-year resident, stated that he enjoys how the community is developing and the community events. He felt that the community center is another project that the city invests in itself. He did not know why there is a focus on a 6,000 square foot banquet hall when existing businesses can provide this service. He felt that a fixed seat theater would be beneficial and add value to the community.

Steve Spencer, president of the Board of Directors, South Valley Civic Theater, stated that in the summer, he saw the first architectural drawings for the community center. One of the features prominent in the drawings was a fixed seat, in door theater along with an amphitheater, and water feature. He said that overtime, the fixed seat theater has been eliminated from the plans. He felt that the theater is an important cultural feature for the community as community groups are constantly looking for a performing place. He said that early this summer, South Valley Civic Theater sent the Agency a proposal to reaffirm its interest in the fixed seat theater.

Chairman Kennedy clarified that the fixed seat theater is proposed as part of Phase II of the community center design.

Evelyn Kobayashi concurred with comments expressed by the prior speakers about the frustration of how long it has taken to get this far in the process. She recommended that the Agency hold on to its patience and not loose the vital characteristic at this crucial juncture of decision making. She felt that it was important that the Agency to move forward with care for the details of the community

center. She did not believe that it was financially prudent to approve a lump sum payment with many areas still unspecified with questions about the use of materials. She felt that a higher level of specificity is needed. Also, in question is the balance of the facilities and the balance between facilities, activities and program areas that are geared toward a multi-generational, multi-purpose or business banquet use. There is also a question regarding energy efficiency. One of the issues raised in the Visioning process was the lack of funding for on going maintenance of the facility. She felt that the site plan appears to be overcrowded as presented and appears to be paving over the entire six acres. She did not believe that this is the characteristic that individuals spoke about in the Visioning Process. Individuals spoke repeatedly about a community center being surrounded by an feel of spaciousness and a green oasis in the heart of the town. She did not believe that a green oasis would inhibit economic development but that it would draw individuals in. There needs to be a resolution of the church as the project cannot move forward with the footprint of Gavilan College overlapping where the church currently exists. Questions raised in written reply to the EIR in October have not been responded to seriously. The desire to get something started is not the right way to make important public decisions as the community will have to live with the community for a long time.

No other comments were offered.

In response to Agency Member Chang's questions, Mr. Bischoff said that the emergency efficiency concern would be looked at as part of the design development phase of the project. He informed the Agency that it would take two months to complete the schematic drawings and three months to complete the design development phase. He said that any changes would add time and potential costs to the process.

Chairman Kennedy said that as a project manager in the construction industry, he agreed with Mr. Sampson that a lump sum payment is in the best interest of the city in order to get the best price.

Agency Member Cook expressed concern that the lump sum fee does not identify each line item. Mr. Sampson said that Agency Counsel and staff are working out the details of the contract. He shared Agency Member Cook's concern that the architect visiting the site once a month was not enough. In consultation with Mr. Steiner, he agreed that there would be more visits per month. He is working with staff to make sure that city gets the right deal.

Agency Member Cook said that she was shocked that a theater would be built on the site because she thought that the Agency had deleted it at one point from project. She felt that there has to be a refocus on the community center as she did not know what would be included in each phase of the project and that she was not sure what the budget would be based on. She noted that the original estimate was a5 \$7.4 million and now the estimate is over \$8 million.

Chairman Kennedy said that the Agency made a conscience decision to eliminate features in order to meet the \$7.4 limit. It was the understanding that if the Agency was to obtain additional monies, the features would be included, including the water feature and a fully developed amphitheater. These features have now been included.

Agency Member Tate said that it was his recollection that the Agency had a concern about the theater

overcrowding the site. The Agency had an opportunity to build phase I to see its result and then decide whether to proceed with phase II. He said that he would like to try to establish a community consensus on the direction that the Agency is heading. He expressed concern about not having a resolution on the church. He felt that there was time to respond to community member questions while the Agency tries to finalize church discussions.

Interim Executive Director Tewes said that approximately a month ago, the Agency was presented with a stripped down version of a community center as well as an enhanced version. The Council chose the enhanced version. Staff advised the Agency that the enhanced version would result in a construction budget of \$8.9 million. He said that based on his review of the record, it suggests that many of the comments made this evening were responded to in the environmental impact report. Other comments were addressed in the course of the Agency's decision making leading to the conceptual design chosen. Other concerns will be addressed as the Agency moves toward the detailed design work.

Agency Member Chang said that the overcrowding issue was previously addressed and that the Agency agreed to review the concern as part of phase II. She felt that the purchase of additional property to the rear may help accommodate a theater.

Chairman Kennedy stated that the Agency will never have 100% of the information and that there comes a point where a decision has to be made and move on with the process. The Agency has discussed the community center for four to five years. Further delays will open up the door for additional questions and concerns. He felt that it was time to move forward as it was his belief that the risk would be minimal. Awarding the contract will give the Agency the ability to adjust the conceptual design work. He encouraged the Agency to move forward and approve the contract.

Vice-chairman Sellers stated that this is the third meeting that he hears individuals stating that there has to be more community involvement as the community center is a significant project to the community. He said that there have been suggestions made on how to better communicate with the public such as the use of the City's web site and Channel 34. The Agency needs to look at finalizing the church situation. If there is to be a change regarding the theater, he felt that this decision should be made sooner rather than later. He was supportive of including a theater in the project. He recommended that the Agency approve the contract and that the Agency conduct a community meeting in conjunction with the review of the schematic drawings, making changes if possible. If significant changes are to be made, they can be made at that time. This would allow the Agency to proceed along the same timeline as identified and still allow for continued community input and continued community education that his needed.

Action: *Vice-chairman Sellers made a motion, seconded by Agency Member Chang, to **Authorize** the Executive Director to execute a contract with VBN Architects for Design Development and Construction documents for the Community and Cultural Center at a cost not to exceed \$890,000; and 2) that the Redevelopment Agency **conduct** a community meeting in conjunction with the schematic drawings being reviewed, modifying as deemed appropriate.*

Agency Member Chang stated that the City is preparing a park master plan. She advised the public

that a community workshop will be held on March 31 relating to a gymnasium. She also suggested that the Parks and Recreation Commission discuss a gymnasium in the overall park master plan.

Chairman Kennedy said that the Agency made a conscience decision not to combine a banquet room with a gymnasium but to build a new community gymnasium on a different site. He said that he is committed to having a gymnasium built somewhere in the community.

Agency Member Tate agreed with Chairman Kennedy that the Agency will not get everyone in agreement, but that he also agreed that Vice-chairman Sellers that the Agency needs to have a dialogue with the community. In reading Exhibit B from the VBN contract, it states that should the church not work out, it results in changes to the contract. He stated that he was not comfortable in approving the contract without knowing the answer to the church. In the mean time, he recommended that the Agency address some of the community's concerns. He stated that he would not support the compete motion.

Agency Member Cook stated that her focus was that of the process. She did not know how critical decisions can be made until it is known if the Agency controls the church property as it is key to the whole layout. She would not be supporting the motion for the entire contract. She said that she may support an amendment to the contract about the schematic drawings but that she is not willing to invest \$829,000 for a project that the Agency does not control.

Chairman Kennedy called for the question.

Vote: *The motion carried 3-2 with Agency Members Cook and Tate voting no.*

Interim Executive Director Tewes announced that on Thursday, March 30 at 7:00 p.m. at the Morgan Hill Grange that the Parks and Recreation Master Plan will be considered. Those unable to attend this meeting are invited to attend a meeting to be held on Saturday, April 1 from 10:00 a.m. to 12:00 p.m.

4. VILLAGE AVANTE APARTMENTS: ADDITIONAL LANDSCAPING AND LIGHTING IMPROVEMENTS

Business Assistance and Housing Manager Maskell presented the staff report. She indicated that Lauren Bruer, Ecumenical Association Housing (EAH) and Brian Powell from Dick Glen Landscape architects were present to answer any questions which the Agency may have.

Lauren Bruer, senior project manager with EAH, informed the Agency that a black vinyl chain link/partial wood fence is proposed to be installed to replace the existing fence along the side of the property that faces Monterey Road at the recommendation of planning staff to make the fence more attractive. It is proposed to plant flowering vines along the entire fence. The black vinyl coating was suggested as an interim measure to make this side of the property more attractive.

Brian Powell identified the location of the disbursed turf area at a cost of \$300,092. It is a goal of the project to reduce the total amount of turf square footage.

Agency Member Cook felt that it was important to complete the project. She asked how the Agency

would preserve the landscaping and what type of maintenance is to occur? Ms. Bruer said that EAH has a landscaping crew that maintains all south bay properties. Therefore, the property would be maintained to the same standard that is being seen at Cochrane Village.

Chairman Kennedy opened the floor to public comment. Susan Hobeck, county resident, inquired as to the square feet or acres of turf would \$300,092 cover? No other comments were offered.

Agency Member Cook said that in reading the letter from EAH to Ms. Maskell, it states that several trees are proposed to be planted along with turf.

Action: *On a motion by Agency Member Cook and seconded by Agency Member Chang, the Agency Commission unanimously (5-0) **Authorized** Staff to Negotiate, Prepare and Enter into a Loan Agreement with Don Avante Associates II for Additional Improvements to the Village Avante Apartments including Landscaping, Lighting, and Fencing, in an Amount Not to Exceed \$640,000.*

Action: *By consensus, the City Council **agreed** to consider agenda item 8 at this time*

City Council Action

8. REQUEST FOR CITY CO-SPONSORSHIP BY THE LEADERSHIP MORGAN HILL CLASS OF 2000 FOR THEIR ART ALA CARTE PROJECT

Kelly Mercurio, Morgan Hill Leadership Class 2000, requested that the City Council sponsor and donate \$650 for the Art Ala Carte event scheduled for Sunday, May 7 from 1:00-4:00 p.m. to be held at the Mt. Madonna YMCA facility. The event will focus on youth ranging in age from 5-12. She informed the City Council that the cost has been found to be approximately \$5,000, not the \$3,000 originally indicated. It is hoped that this will be an annual event to be hosted by the City's Recreation Division. She invited the City Council and the public to this cultural event.

Action: *On a motion by Council Member Chang and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** Request from the Leadership Morgan Hill Class of 2000 for Their Art Ala Carte Visual and Performance Art Celebration in the Amount of \$650.*

PUBLIC HEARINGS:

10. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ALLOCATION (FY2000-2001) - Resolution No. 5366

Director of Business Assistance and Housing Services Toy presented the staff report.

Mayor Pro Tempore Tate noted that the table presented by staff indicates that last year the senior center was funded at \$44,900 from CDBG, General Fund and Senior Trust Fund. It was his recollection was that the sum funded was \$60,000 to \$65,000, utilizing funds from the General Fund. He expressed concern that staff is not recommending funding from CDBG funds. Mr. Toy informed

the City Council that last year, the YMCA was funded \$13,000 from CDBG funds, \$30,000 in General Funds and \$17,000 from the Senior Housing Trust Fund.

Council Member Cook said that last year Town Cats also applied for funds. At that time, the status of State regulations for animal control was uncertain and that the city would look at this situation as part of the budget process. She felt that this agency provides an essential service to the community. She felt that the city needs to deal with animal control and felt that this organization may help the city do so. She stated that she was not recommending funding this evening but that she would like to see if staff can include funding in the budget preparation for the upcoming year.

Mayor Kennedy noted that the City is running 10% ahead in terms of budget revenue estimates. Interim City Manager Tewes said that it is staff's expectation that the revenues received in this current year will exceed the estimates adopted by the City Council in September 1999.

Council Member Sellers recommended that the City provide the YMCA some assurance that it will receive a level of funding so that the YMCA will know how to proceed with its own budget and planning.

In response to Mayor Kennedy's question, Interim City Manager Tewes said that the City Council can make a commitment of funding from the general fund. However, he recommended that this be done as part of the general fund budgetary process because the request before the Council is more than has been requested in previous year and that staff would like the opportunity to review alternatives for providing the same services. He said that the Council may wish to indicate a base level of funding and that staff be allowed to review the request for additional funding. He informed the City Council that staff will be presenting a budget recommendation mid May.

Mayor Kennedy opened the public hearing.

Lori Escobar thanked the City Council for the support given to the El Toro Youth Center. She said that the El Toro numbers before the City Council are solid numbers and that students are monitored and evaluated in terms of how they are performing in school.

Dena Campeau, Emergency Housing Consortium, informed the Council that the Consortium provides shelter and supportive services to end homelessness and to help individuals regain full participation in the community. She thanked the City Council, staff and community for its continued support.

John Scully and Keith Robertson spoke in support of Project Sentinel for assisting the Las Casas De San Pedro residents with their problems.

Rosemary Statt, Catholic Charities Housing, informed the Council that it has created another 25 taxpayers by helping women who reside at Depot Commons. She indicated that on April 3, Depot Commons will hold its first Alumni Day.

Council Member Sellers felt that the Depot Common project has proven itself. He encouraged Ms. Statt to contact the press to do a follow up with the progress of the alumni.

Ann Marguart, Director of Project Sentinel, informed the City Council that Project Sentinel offers tenant-landlord counseling and dispute resolution. She said that the Las Casas de San Pedro project has consumed countless of staff hours, noting that the issues have not been resolved. Project Sentinel is working with the city attorney and a number of county agencies toward a solution. She stated that she was grateful for any funding that can be provided. She note that the recommended funding is less than the requested amount of \$25,000. She asked if there was any way to increase the recommended amount from the 20% set aside?

Martha Newton, Project Sentinel, informed the City Council that to date, Project Sentinel has received 450 calls from Morgan Hill residents alone. All of their goals have been exceeded due to high rent costs, evictions, and people becoming homeless more and more.

Donna DiMinico, director of the Long Term Ombudsman Care Program which operates under Catholic Charities, thanked the Council for its own going support of her program. The program is an advocacy for the residents in Morgan Hill's nursing homes and residential care facilities for the elderly. She indicated that it is proposed to do more community education on elder abuse.

Cynthia McCowan, Second Harvest Food Bank, thanked the Council for its past support of the Operation Brown Bag and any support that it can provide in the coming year.

Ava Geddes, Board of Director of Town Cats, informed the Council that Town Cats provides a valuable service to the community by trapping stray cats, spay and neutering them, taming them if possible, and adopting them into permanent homes. The County Animal Shelter in San Martin Shelter cannot accept surrenders by residents who live in the city limits of Morgan Hill. City assistance is needed in order to continue providing services and the increased level of demand. She requested that the city waive the permit fees normally assessed for holding a rummage sale on school property. She requested a city point of contact to secure future resources to address the growing feline over population problem in Morgan Hill.

Pete Zsiga, Director of the Mt. Madonna YMCA, addressed the services being provided for the senior program. With the city's financial assistance of \$60,000, senior programs have been increased. He indicated that the funding request is only \$15,000 more than last year's funding. He noted that there are only 180 days left to determine what programs will be made available next fiscal year based on funding. He requested that the Council recommend a level of funding so that he and the senior citizens will know what level of funding for services can be expected. He requested that the City Council continue its partnership with the YMCA for senior program and services.

Victoria Cabarillo, La Isala Pacifica, Women's Battered Shelter, thanked the City Council for its support and consideration of the Shelter.

No further comments being offered, the public hearing was closed.

Council Member Chang stated her support of additional funding in the amount of \$2,000 for a total of \$4,000 for the Ombudsman Long Term Care program.

Mr. Toy informed the City Council that funding for the Ombudsman Long Term Care Program can

come from CDBG allocations which would result in a reduction in funding to another program, or the use of the Senior Trust Fund. However, staff is not recommending funding from the Senior Trust funds.

Council Member Cook felt that funding requests are being considering sooner than in past years. It was her recollection that fund requests were considered at time of budget preparation and that it would give the Council the opportunity to use some General Fund monies, if necessary.

Interim City Manager Tewes said that the allocation of \$34,000 of CDBG monies is not in sync with the City's normal budgetary project. He noted that this schedule is established by the County.

Mayor Pro Tempore Tate stated that he would like to give the senior center some of the CDBG funds. He felt that some of the funds allocated to the Light House can be given to the senior program as the services provided by the Light House are covered by the El Toro Youth Center. He stated his support of funding an additional \$3,000 to Project Sentinel from the 20% set aside.

Council Member Chang stated that she would support funding for the senior center. She recommended that funding come from the General Fund to the level previously funded and not take away funding from projects as recommended by staff. She stated that she has visited the Light House and that she sees this program serving a different group of kids and offers an activity lacking in Morgan Hill. She supported not funding the senior center from CDBG funds but that the Council make a commitment that it will fund a certain amount from the General Fund.

Interim City Manager Tewes said that in the budgetary process, staff will be making recommendations to the City Council on how to allocate discretionary dollars that can be used for any purpose. Staff would like to evaluate the seniors provided for the senior center and evaluate alternatives to make sure that funds allocated are the most cost effective to meet the goals of the city council.

Council Member Cook said delaying funding to the senior center may make the seniors nervous regarding funding. She noted that it was stated that the YMCA supplements the funding granted by the City. She asked if another organization or the Recreation Division will be taking over some of the senior center programs?

Interim City Manager Tewes indicated that Council Member Cook's questions will be answered as part of the budgetary process.

Mayor Kennedy recommended that a commitment of \$50,000 be made to the YMCA until the Council proceeds with the budget process.

Interim City Manager Tewes said that the Council would not be making a budget appropriation this evening but with a commitment expressed by the Council, the YMCA will know that this amount will be earmarked in the budget.

Mayor Pro Tempore Tate recommended that \$5,000 be funded from CDBG funds to the senior center, this is \$5,000 as well as identifying a commitment from the General Fund as he felt that senior center activities are essential to the community.

Mayor Kennedy said that the senior center fell under a different funding category and that it is a likely candidate for the use of general funds. Therefore, he recommended that general funds be used and not CDBG funds.

Council Members Cook and Sellers stated their support of Mayor Kennedy's position of committing \$50,000 from the General Fund this evening and to re-evaluate the program for further funding in the budgeting cycle which will start in May. As an alternative, she would agree to discuss this item at a future agenda if a commitment is not to be made this evening.

Council Member Tate supported a commitment of \$60,000 to the senior center as that was the level of funding made last year.

Action: *It was the consensus of the City Council to **make an initial commitment** of \$60,000 from the General Fund to the YMCA Senior Center.*

Action: *It was the consensus of the City Council **to fund an additional \$5,000** to Project Sentinel for a total funding of \$17,000, using 20% set aside funds.*

Council Member Chang expressed concern with the homeless situation. She asked if additional funding can be granted to the Emergency Housing Consortium?

Council Member Cook thought that the Council would be asked by the Manufacturing Group to look at contributing to a county-wide housing fund. She said that she would like to review this issue as one big picture.

Interim City Manager Tewes said that staff's recommendation for spending RDA money at this time is to keep in whole the organizations that have come to rely on CDBG monies in the past. Staff is not making recommendations on the entire RDA low and moderate income fund. This will be done as part of the larger context of the RDA's budget to be presented in May. The Council can indicate that they would entertain additional funding to Project Sentinel in the context of the budget recommendation that will come to the RDA as was done with the YMCA Senior Center.

Mayor Kennedy stated that increasing the funding level to the Ombudsman Long Term Care program would result in a change in funding to another project.

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Adopted** Resolution No. 5366, Approving Table B Allocation of FY2000-2001 Federal CDBG Funds with the commitment of the following: \$60,000 to the senior center under the General Fund Category and add \$5,000 to Project Sentinel out of the RDA set-aside funds.*

Action: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the Agency Commission unanimously (5-0) **Authorized** the City Manager to Take All Steps Necessary for Implementation of the CDBG Program Including Execution of All Required Contracts.*

Council Member Sellers requested that staff agendaize waiving the fees for the Town Cats, if necessary. He requested that the City Council direct the Recreation Division to look at ways of helping to do what it can to assist the Team Swimming project as he felt that it was a good project, including discussions with the YMCA to help fund this program.

Redevelopment Agency & City Council Action

CONSENT CALENDAR:

Action: *On a motion by Agency/Council Member Chang and seconded by Vice-chairman/Council Member Sellers, the Agency Commission/City Council **approved** consent calendar 5 as follows:*

5. JOINT SPECIAL CITY COUNCIL AND REDEVELOPMENT AGENCY MEETING MINUTES OF MARCH 15, 2000

Action: **Approved** the minutes as submitted.

OTHER BUSINESS:

6. MILLENNIUM HOUSING PAINT PROGRAM GUIDELINES - Resolution Nos. 5364 and MH-214

Director of Business Assistance and Housing Services Toy presented the staff report.

Agency/Council Member Sellers said that he lives within the project area and a neighborhood project area that may be targeted for this program. Therefore, he would abstain from this item.

Chairman/Mayor Kennedy opened the floor to public comment. No comments were offered.

Mayor Pro Tempore/Agency Member Tate recommended a specific time limit of a year to evaluate the program.

Agency/Council Member Chang expressed concern with applying the program outside the project area. She asked if it was legal to apply this program outside the project area? Mr. Toy responded that it is legal to apply this program outside the project area if findings can be made. He indicated that there is only one area that is outside the project area that may be targeted located off of Dunne Avenue.

Agency/Council Member Cook recommended that individuals who reside outside the project area be referred to other paint programs. She expressed concern with spending public money for paint. However, it was her belief that it would serve a purpose but that she sees this purpose being served in a greater need area which is exclusively inside the project area. She would be more comfortable with the program if it was structured within the project area.

Action: *It was the consensus of the Agency Commission/City Council to make this a one year pilot program within the project area.*

City Council Action

Action: *On a motion by Council Member Chang and seconded by Mayor Pro Tempore Tate, the City Council, on a 4-0-1 vote with Council Member Sellers abstaining, **Adopted** Resolution No. 5364 Making Findings of Benefit for the Use of the Morgan Hill Redevelopment Agency 20% Set Aside Funds for the approved Millennium Housing Paint Program:*

Redevelopment Agency Action

Action: *On a motion by Agency Member Cook and seconded by Agency Member Tate, the Agency Commission, on a 4-0-1 vote with Vice-chairman Sellers abstaining, **Adopted** Resolution No. MHRA - 214 Approving the Guidelines and Making Findings of Benefit for the Use of the Morgan Hill Redevelopment Agency 20% Set Aside funds; and **Appropriated** \$100,000 from the Agency 20% Housing Set Aside Funds (Fund 327).*

7. POLICE OFFICER HOUSING ASSISTANCE PROGRAM - Resolution Nos. 5365 and MH-215

Chief Schwab presented the staff report. He indicated that the loan would apply to police officers. This would be a one year pilot program and that if it is successful, it can be expanded to all city employees.

Director of Business Assistance and Housing Services Toy explained the guidelines for the program.

Agency/Council Member Cook asked if five years is the best hopes of retaining police officers? Chief Schwab said that one of the suggestions that the Agency/Council made last time was that staff develop a program that is purely a loan program.

Agency/Council Member Cook said that if employment is terminated after five years or more with the city, the officer would still get to keep the loan at the regular rate. She did not see the program assisting with the longevity of the police workforce. She stated that she would like to retain the police officers in town.

Chief Schwab said that the program can be modified to state that if at any time the officer ceases employment, the loan would have to be paid back within 120 days upon termination of employment with the city.

Agency/Council Member Chang suggested that the loan amount be changed to \$500,000 as the cost of homes in Morgan Hill are high.

Chairman/Mayor Kennedy opened the floor to public comment. No comments were offered.

Agency/Council Member Cook stated that she would not support the housing assistance program. She said that when this issue initially came before the City Council/Agency, there were eight points were discussed relating to retaining and recruiting police officers. She stated her support of all

recommendations but one. She said that this was a component that she could not support as it gives police officers an unfair advantage over other city employees and other individuals who live in Morgan Hill.

Action: *On a motion by Agency Member/Mayor Pro Tempore Tate and seconded by Vice-chairman/Council Member Sellers, the Agency Commission/City Council, on a 4-1 vote with Agency/Council Member Cook Voting no, **Adopted** Resolutions Approving the Police Officer Housing Assistance Program with the following stipulations: 1) This is to be a one-year pilot program; 2) the limit be raised to \$500,000, and that the loan to be repaid within 120 days upon termination or cease of employment as follows:*

City Council Action

1. **Adopted** Resolution No. 5365 Making Findings of Benefit for the Use of the Morgan Hill Redevelopment Agency 20% Housing Set Aside Funds.

Redevelopment Agency Action

2. **Adopted** Resolution No. MHRA - 215 Approving Guidelines for the Police Housing Assistance Program and Making Findings of Benefit for the Use of the Morgan Hill Redevelopment Agency 20% Housing Set Aside Funds.
3. **Appropriated** \$120,000 from the Fund Balance in the Redevelopment Agency 20% Housing Set Aside Fund (Fund 327).

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Council Member Chang and seconded by Council Member Sellers, the City council unanimously (5-0) **approved** Consent Calendar Item No. 9 as follows:*

9. EMERGENCY RECONSTRUCTION OF LIFT STATION “D” SEWER FORCE MAIN

Action: 1) **Adopted** Resolution No. 5367 Declaring the Need for The Emergency Expenditure, and 2) **Approved** the Expenditure of \$60,000 for Emergency Replacement of the Sewer Force Main for Lift Station D.

11. REVIEW OF DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE COYOTE VALLEY RESEARCH PARK (CISCO SYSTEMS)

Planning Manager Rowe presented the staff report. He stated that staff feels that the high cost in housing may encourage more workers to seek housing in the outlying area. The report does not

discuss Merced County and Los Banos as areas to reside.

Mayor Kennedy stated that it was his belief that Cisco employees receive above median income and would tend to locate in higher cost housings.

Planning Manager Rowe informed the City Council that staff requested that the report examine the cost of projected housing to the north in comparison to the base salaries of the jobs that would be created in the project to determine whether the ratio will hold. He indicated that the EIR mentioned that Cisco employees will have the option of enrolling in the Morgan Hill Unified School District. The study does not assess how many workers would choose to have children in the Morgan Hill Unified School District. He also addressed the impacts of development in the Coyote Valley reserve, ABAG's job/housing projections, and impacts to regional housing and traffic component of the project.

Council Member Sellers felt that there will be an increase in the housing draw to the south based on affordability and the variety of housing stocks on larger lots associated with a rural environment. He felt that these issues need to be addressed. Regarding schools, he felt that the anticipated shortage in housing in San Jose and other areas would result in pressures to produce more homes, resulting in an impact to Morgan Hill schools.

Mayor Kennedy felt that it would be lubricious to believe that only 20% of the Cisco employees would be commuting to the south. In order to avoid major impacts on the city's traffic infrastructure, Cisco will have to build housing at the same time as they build the facility for their company.

Council Member Chang agreed with the comments expressed by Mayor Kennedy and Council Member Sellers because Cisco will become a major employer. Employees, including the higher paid engineers, will not be able to afford some of the housing costs seen in San Jose. Employees will seek housing in Gilroy, Hollister or Los Banos as this is the trend that is currently taking place.

Mayor Pro Tempore Tate agreed that the 20% number is ridiculous. He stated that if the spill over from Highway 101 continues, Santa Teresa/Hale would be heavily impacted, even if Highway 101 is widened to eight lanes. He felt that Cisco would have to build housing sooner than indicated in the study.

Council Member Cook concurred with the comments expressed by staff relating to traffic impacts. The report, the report addresses the traffic that is attributed to Morgan Hill, Hollister and Gilroy. She asked if this was included as pass through traffic in Morgan Hill or the highway. Was the pass through considered Morgan Hill's traffic? Did the 25% indicated in the report include everyone traveling from the south? She addressed the turning movements at Monterey and Cochrane. She noted that the report states that this is a four way intersection, noting that one of the intersections is an entrance into the Capri Restaurant. She asked if the model of a four way intersection versus a three way intersection affect the number that was generated? She felt that the report's existing traffic volumes were extremely low.

Planning Manager Rowe responded that the 25% included everyone traveling from the south. He indicated that his comments in the staff report mentions the Tilton/Monterey intersection being at a

level of service F in the a.m. These were numbers that came out of the EIR for the high school site. The report shows this same intersection at an LOS B. There would need to be a reexamination of the calculations.

Council Member Cook noted that with the Sobrato site, the traffic consultant provided a road capacity analysis. She felt that this analysis was a more useful number. She said that Volume 2 of the traffic report addresses the signalization of the Tilton and Santa Teresa intersection. She noted that this is a county intersection and that the EIR only addresses San Jose and Morgan Hill intersections. This was not listed as a mitigation and that this was something that would impact the community. She felt that this concern needs to be included in Volume I and included in the mitigations.

Council Member Sellers requested that staff provide any future information to the Commission and the City Council.

Mayor Kennedy opened the public hearing.

Susan Hovack, Santa Clara County Farm Bureau, stated that people are moving to this area due to the country, the greenery and farming. It is being indicated that the best farming land is to be built upon and that the soil that is not good is being left free. It is being stated that the area between Monterey Road and Highway 101 would be a great place to build homes, increasing freeway extensions. The Farm Bureau disagrees with these statements but felt that nothing can be done at this stage as the plans are set in concrete. She asked if a greenbelt has been established between Morgan Hill and San Jose?

Mayor Kennedy indicated that a greenbelt does not exist between Morgan Hill and San Jose at this time.

Council Member Chang said that San Jose has a greenbelt south of Baily Avenue to the north of Morgan Hill. She stated that it is hoped that the City of San Jose will not violate their greenbelt policy south of Palm Avenue.

No further comments being offered, the public hearing was closed.

Action: *The Council **Provided** the above stated Comments to Staff for Assessment in the Final EIR.*

OTHER BUSINESS:

12. REVIEW OF THE NOTICE OF PREPARATION ON THE REVISED ENVIRONMENTAL IMPACT REPORT FOR THE ANN SOBRATO HIGH SCHOOL

Planning Manager Rowe presented the staff report.

Council Member Cook recommended that the School District identify the 70-acre requirement for the campus reserve. She was troubled by police and fire services to be provided because it is being indicated that the City of San Jose will be providing these services. She expressed concern that the city will be providing first emergency/medical response but not collecting impact fees from the school site as the school site is located in the City of San Jose.

In response to Mayor Kennedy's question, Mr. said that the Fire District has long range plans to build a fire substation in the Coyote following the construction of the future high school and the Cisco project.

Council Member Cook indicated that the Williamson Act will need to be addressed as the property is under the Williamson Act. Regarding the nine points that the City identified for the delivery of sewer and water to the Sobrato site, she said that it was not clear to her that all the points would be included in the EIR. She recommended that the nine points be included in the EIR. She indicated that she met with Bonnie Branco to discuss her concerns.

Council Member Sellers referred to page 74 of the staff report relating to the extension of city services to the new high school site. It is stated that the revised EIR will need to address impacts of the proposed project from the City's limited wastewater treatment capacity. He noted that the School District would not be increasing the number of high school students but redistributed the student population.

Mr. Rowe said that phase 1 would result in the redistribution of the student population but that at full build out, the new high school will accommodate new students.

Council Member Sellers recommended that the EIR address the initial impacts and the long term impacts. He indicated that the 70-acre campus reserve will not result in an increase in buildings but that it is an increase in the amount of land that is required in order to build the project. He said that if annexing the site into the City of Morgan Hill helps to solve a lot of the longer term impacts associated with police and fire services, sewer, lighting, ect., it would allow the city to work with the School District to make sure that the city meets the needs of its citizens.

Action: *On a motion by Agency/Council Member Chang and seconded by Agency/Council Cook, the Agency Commission/City Council **agreed** to extend their meeting time 11:30 p.m.*

Mayor Kennedy opened the floor to public comment. No comments were offered.

Mayor Pro Tempore Tate said that it seems that staff is requesting the EIR to address the additional capacity of 1,000 that is induced by the additional capacity, noting that the City of Morgan Hill will grow at a constant rate. He did not understand why staff felt that this would be growth inducing as this issue already addressed.

Mr. Rowe stated that it is being recommended that the EIR look at long term measures that would ensure that the surrounding lands would not be developed and remain a greenbelt, mitigating any potential growth inducing impacts.

Action: *The City Council **Reviewed** the Revised Project Description and **Provided** Comments Regarding Those Environmental Issues That Should Be Addressed in the Revised Draft EIR.*

Redevelopment Agency/City Council Action

CLOSED SESSION:

Interim City Attorney/Agency Council Leichter announced the following closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Legal Authority:	Government Code 54956.8 & 54956.9(c) (1potential case)
Real Property(ies) involved:	APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Mission View and Cochrane Road; and APN 728-31-009 - 12.88 acres located on the southeast corner of Cochrane and Highway 101 (St. Louise Hospital property)
City Negotiators:	Agency Members; Interim Executive Director; Interim Agency Counsel; and F. Gale Conner, special counsel
Closed Session Topic:	Potential Litigation

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority:	Section 54956.9(a)
Case Title:	Morgan Hill Unified School District v. Minter & Fahy Case Number CV 772368;
Court:	Superior Court, County of Santa Clara
Parties:	Morgan Hill Unified School District, Minter & Fahy, Ameron International, City of Morgan Hill
Subject of Litigation:	Fuel Leak
Closed Session Topic:	Case status
Attendees:	Councilmembers; Interim City Manager; Interim City Attorney; Public Works Director; Mark Strombotne, Esq.; Sharonrose Cannistraci, Esq.

Chairman/Mayor Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Chairman/Mayor Kennedy adjourned the meeting to closed session at 11:09 p.m.

RECONVENE

Chairman/Mayor Kennedy reconvened the meeting at 12:10 a.m.

CLOSED SESSION ANNOUNCEMENT

Interim City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the above listed items.

CLOSED SESSION ANNOUNCEMENT

ADJOURNMENT: There being no further business, Chairman/Mayor Kennedy adjourned the regular Redevelopment Agency and special City Council meeting at 12:11 a.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, Agency Secretary/City Clerk